Freemium model

FINANCIAL MODELING

LECTURE SUMMARY

Covered in this lecture:

How the freemium model works

- Freemium = Free + Premium
- **How it works: You offer your main product for free, but then the user has to pay to access premium or extra features**

  Examples: Evernote, Spotify, YouTube

- Free products are the easiest to get users for
- If they are already a user of your product / service, there's a better chance that they might buy something from you
- The most successful products using this model are the ones that either become indispensable to your daily life or become a hassle to switch away from

See you next lecture!